

Message Text

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41

ACTION EUR-12

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FM AMEMBASSY BUCHAREST

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LIMITED OFFICIAL USE BUCHAREST 5518

USIA FOR IEE/ICS

WARSAW FOR YALE RICHMOND

E.O. 11652: N/A

TAGS: OEXC, RO

SUBJECT: U.S.-GOR CULTURAL RELATIONS RENEGOTIATIONS RE:
REIMBURSEMENT FORMULA FOR EXHIBIT IMPLEMENTING
CONDITIONS

REF: BUCHAREST 5421

1. AS NOTED REFTTEL, DEFORMIN GLIGA CITED DRAFT IMPLEMENTING
CONDITIONS FOR EXHIBITS AS PROBLEM AREA FOR NEGOTIATIONS. DIFFERENCE
BETWEEN OUR DRAFTS CONCERNS PAYMENT OF INTERNAL TRANSPORTATION AND
CURATOR COSTS, E.E., GOR DRAFT PROPOSES RECEIVING SIDE PAY THESE
COSTS WHILE OUR DRAFT PROPOSES SENDING SIDE PAY THEM.

2. SOURCE OF GOR PROBLEMS WITH "SENDING-SIDE-PAYS-ALL"
FORMULA ARISES FROM FACT THAT COUNCIL FOR SOCIALIST
CULTURE AND EDUCATION DOES NOT HAVE HARD CURRENCY AVAILABLE FOR
ITS EXHIBIT ACTIVITIES IN U.S., OR ELSEWHERE FOR THAT MATTER.
FOR THIS REASON, PROVISION FOR RECEIVING SIDE PAYING INTERNAL

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TRANSPORTATION AND CURATOR COSTS IS INCLUDED IN ALL GOR CULTURAL

AGREEMENTS. (,68: WE CHECKED OUT THIS MATTER WITH GERMAN FEDERAL REPUBLIC CULTURAL COUNSELOR WHO REPORTED THAT HIS GOVERNMENT PAYS INTERNAL TRANSPORTATION AND CURATOR COSTS FOR GOR EXHIBITS PRESENTED IN GOR IN ORDER TO AVOID THIS TYPE PROBLEM. END FYI)

3. IN ORDER TO RESOLVE DIFFERENCE BETWEEN U.S. AND GOR DRAFTS ON THIS POINT, AND IN LIGHT OF FACT THAT EXHIBIT EXCHANGES HAVE BEEN (AND REMAIN) SO OVERWHELMINGLY IN OUR FAVOR, WE HAVE DESIGNED A "REIMBURSEMENT FORMULA" WHICH RETAINS THE BROAD OUTLINES OF THE SENDING-SIDE-PAYS-ALL PROVISION AND SATISFIES THE COUNCIL'S NEED TO ACCUMULATE HARD CURRENCY FOR INTERNAL TRANSPORTATION AND CURATOR COSTS FOR ITS EXHIBITS IN THE U.S. FOR PURPOSES OF SIMPLICITY OUR "REIMBURSEMENT FORMULA" DEALS WITH INTERNAL TRANSPORTATION COSTS ONLY BUT NONETHELESS SHOULD SOLVE FOR THE COUNCIL HARD CURRENCY PROBLEMS FOR EXHIBITS IN THE U.S.

4. PURSUANT TO THE "REIMBURSEMENT FORMULA" THE COUNCIL WOULD PAY ROMTRANS (ROMANIAN TRANSPORTATION AGENCY) IN ROMANIAN CURRENCY (LEI) THE INTERNAL TRANSPORTATION COSTS FOR OUR EXHIBITS. THE EMBASSY, IN TURN, WOULD REIMBURSE THE COUNCIL IN DOLLARS FOR THESE COSTS THEREBY PERMITTING IT TO ACCUMULATE HARD CURRENCY FOR ITS EXHIBIT ACTIVITY IN THE U.S., I.E., IT WOULD ENABLE THE COUNCIL TO PAY THESE COSTS AS THE "SENDING SIDE". (FYI: IN PAST WE HAVE PAID SOME OF OUR INTERNAL TRANSPORTATION COSTS DIRECTLY TO ROMTRANS IN DOLLARS. END FYI)

5. WE ARE SEEKING DECEMBER 2 MEETING WITH COUNCIL TO DISCUSS THIS FORMULA INFORMALLY AND WILL REPORT RESPONSE AS SOON AS RECEIVED SINCE IT IS CLEAR THAT THIS UNRESOLVED ISSUE COULD LEAD TO DELAYS IN REACHING ACCORD ON UMBRELLA AGREEMENT, PROGRAM AND IMPLEMENTING CONDITIONS. IT IS UNCLEAR WHETHER COUNCIL WOULD BE ABLE TO ACCEPT HARD CURRENCY UNDER GOR LAW BUT WE BELIEVE THIS FORMULA IS WORTH TRYING. DEPARTMENT AND USIA COMMENTS ON PROPOSED FORMULA WOULD BE APPRECIATED.
BARNES

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